



## **FOCUS AREA 7: Expand and diversify the region's housing supply to meet current and future demand**

**WHAT AND WHY** A home does more than provide shelter; having a quality home that meets one's physical needs and lifestyle preferences is essential to achieving a high quality of life. But North Jersey's current housing supply is not meeting the demands of its increasingly diverse population. As a result, essential workers, arriving immigrants, seniors, and young couples starting out often struggle to find suitable housing in the community of their choice.

An inadequate supply of housing and declining public investments in affordable housing have created a longstanding housing affordability crisis. Families spend so much on expensive housing in North Jersey that many have little disposable income left over to spend or save. High housing costs undermine the region's economic competitiveness, making it hard for companies to attract talent and drive up the cost of doing business.

Since large-scale suburbanization began in the 1950s, housing production in most of the North Jersey region has been concentrated in large-lot, single-family homes. In 9 out of the 13 Together North Jersey counties, single-family homes make up more than half – and as much as 80 percent – of the housing stock. Though construction of multi-family housing ramped up significantly over the past five years, much of the new multi-family stock is in expensive, mid- and high-rise luxury apartment buildings. The supply of other housing types, or the “missing middle,” has been inadequate. Housing types of various sizes and price points, such as duplexes, garden apartments and townhomes, provide a greater range of options to meet diverse income levels, lifestyles and life stages.

The impacts of the housing affordability crisis fall disproportionately on people of color. Disparities in homeownership among white residents and residents of color are a major contributor to our region's persistent and dramatic racial wealth gap. Exclusionary, single-family zoning and local opposition to multi-family and affordable housing developments produce patterns of economic and racial segregation. Improving access to suitable, affordable housing will help reduce regional disparities by helping low- and moderate-income families achieve financial stability, improve health outcomes, build wealth, and access employment, quality education, and needed services.

**HOW** Meeting the housing needs of the region's diverse populations will require addressing regulatory barriers, educating the public and local leaders, and taking proactive steps to incentivize the production of varied housing types, expand affordable housing and protect the affordability of deed-restricted affordable units. North Jersey must also strategically use and leverage Federal and State COVID-19 response funding to ensure all residents have access to stable housing.



### **STRATEGY 7.1: Increase housing variety and choice by removing regulatory and other barriers to housing production**

Local plans and ordinances largely dictate where housing can be built, what type of housing is allowed, how big housing units must be, and the number of units permitted on each lot. In many parts of the region, exclusionary zoning practices and vocal opposition to multi-family development among residents prevent the construction of diverse housing types. These practices and attitudes limit housing and neighborhood choice among low- and moderate-income residents and their ability to access employment opportunities, quality education and other resources and services.

Local governments should review and revise their ordinances to provide for varied lifestyles and household types and ensure equitable housing opportunities. Ordinances should allow builders and developers to construct a range of housing types and sizes that matches the profile of current and future residents. Together North Jersey partners should educate local leaders, community members and zoning and planning board members on the importance of housing choice. Housing types not widely available in many North Jersey communities include duplexes, multi-family apartment buildings, mixed-use housing over retail, single-family to multi-family conversions, starter homes on small lots, live-work units, etc. North Jersey communities should also allow accessory dwelling units (smaller secondary homes on the same lot as a primary dwelling created by converting yard space, garages, basements, or attics into independently habitable housing units).

### **STRATEGY 7.2: Target financial and other incentives to increase the production of housing options not well-supplied in the region**

Builders and developers make decisions about new housing by evaluating the market and economic forces such as changing family size, consumer preferences, the cost and availability of land, available financing and many others. In addition to eliminating regulatory barriers that limit housing variety and choice, our region should use planning tools, financial and other incentives to encourage the construction of housing types that are not widely available but in high demand. Financial incentives for builders and developers should include low or no-interest loans, grants, and tax breaks. Municipalities can also encourage builders and developers to create needed housing types by waiving certain fees or expediting the review of projects that meet certain criteria. Municipalities should also use the state-enabled local redevelopment process to produce housing, including housing that is affordable to low- and moderate-income households.

### **STRATEGY 7.3: Increase the supply of housing affordable to a range of household sizes and incomes, especially in areas well-served by public transit**

Federal and state funding for the construction of housing affordable to low- and moderate-income households has not responded to the rising cost of housing. In addition, there is frequently widespread public opposition to the construction of new housing of any type—especially housing restricted as affordable. This is often due to concerns over traffic, density and an influx of school-aged children but can also be fueled by negative stereotypes and discrimination. To create an equitable future and remain economically competitive, our region must increase the housing supply affordable to a range of households and incomes in our region.

Under the New Jersey Fair Housing Act, municipalities must plan, zone for, and take affirmative actions to provide realistic opportunities for their “fair share” of the region’s need for affordable housing for low and moderate-income people. Our region should work to ensure municipalities direct new housing to accessible, amenity- and service-rich locations while meeting their “fair share” obligations. Municipalities should require that new housing developments in areas served by public transit include a minimum of 20 percent affordable units. Municipalities should also use a range of tools and incentives to encourage developers to build affordable housing.

Amid an anticipated increase in affordable housing funds due to the Federal and State COVID-19 response, Together North Jersey partners should pursue a renewed effort to educate local leaders and the public to counter opposition to multi-family and affordable housing projects. In addition, the State Legislature and municipalities should revise state-enabling legislation and local ordinances to expedite the approval of affordable housing projects.

**STRATEGY 7.4: Ensure that the region's existing supply of deed-restricted affordable housing units remains affordable**

Affordable housing units built since the 1980s under the Mount Laurel doctrine and Fair Share Housing Acts are critically important to meet the needs of low- and moderate-income families across our region. Unfortunately, the long-term affordability controls placed on these units usually expire after a period of time ranging from 15 to 45 years. Consequently, the affordability controls on many of the earlier units built under Fair Housing Act requirements will expire very soon. There are a variety of ways municipalities can preserve or extend affordability restrictions. Municipalities should identify affordable housing units in their jurisdiction that are at risk for conversion to market-rate units and work with the New Jersey Council on Affordable Housing, homeowners, tenants and rental property owners to extend affordability controls where feasible.

**STRATEGY 7.5: Keep North Jersey residents stably housed and encourage "housing as healthcare" models**

Despite a strong economy, the North Jersey region's homelessness rate remained persistently high for years before the COVID-19 pandemic. In January 2019, there were at least 6,533 homeless individuals in North Jersey. Only with access to safe, affordable and stable housing can households achieve financial stability and positive health outcomes.

The Federal and State COVID-19 response has resulted in substantial funding for housing assistance, including rental assistance, housing vouchers and other resources to assist people experiencing homelessness, the unstably housed, and those at risk of eviction or foreclosure. Together North Jersey and its partners should convene government representatives and non-profits to share best practices and develop strategic plans for coordinating the use of new and existing funding programs. In addition, state-level advocacy is needed to extend pandemic-related protections for residents at risk of eviction and foreclosure and effectively deal with owed back rent and the financial impacts on small landlords.

Our region should leverage new and existing resources to implement proven and emerging solutions to homelessness. The "Housing First" model moves people experiencing homelessness into affordable, permanent housing as quickly as possible without precondition and provides them with voluntary wrap-around services. This approach reduces the overall financial cost to society by reducing costs associated with homeless shelters, emergency departments and the criminal justice system. Housing and social service providers have also begun partnering with healthcare institutions to address housing as a social determinant of health. These "housing as healthcare" partnerships have resulted in various service models, including affordable housing projects, housing vouchers and enhanced case management, often targeting the homeless, high utilizers of emergency department services and other unstably-housed patients.

